IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(Special Original Jurisdiction)

WEDNESDAY THE TWENTIETH DAY OF DECEMBER
TWO THOUSAND AND SIX

PRESENT
THE HON'BLE SRI JUSTICE J.CHELAMESWAR
and
THE HON'BLE SRI JUSTICE D. APPA RAO

W.P.No. 26473 of 2006

Between:-

M/s. Jaya Diagnostic & Research
Centre Ltd., Hyderabad.

..Petitioner

And

The Commercial Tax Officer,
Nampally Circle,
Hyderabad and 3 others.

..Respondents

ORDER (Per JC,J) :

The petitioner is a public limited company, running a hospital and a registered dealer under the A.P. General Sales Tax Act (for brevity 'the Act') with the 1st respondent-the Commercial Tax Officer, Nampally Circle, Hyderabad. For the assessment year 2004-05, the liability of the petitioner under the Act came to be determined by the 1st respondent by his proceedings dated 11-07-2006. While determining the liability of the petitioner, the 1st respondent took the entire turnover of the petitioner into consideration. Whereas the petitioner claimed that a part of the turnover representing the value of the consumables like cotton, guaze etc., is not liable for tax. The assessing authority rejected the claim of the petitioner. Aggrieved by the same, the petitioner carried the appeal before the 2nd respondent-The Appellate Deputy Commissioner (CT), Hyderabad. Along with the appeal, the petitioner filed an application for stay of recovery of the disputed tax. The said application was rejected by the order of the 2nd respondent dated 06-10-2006. The petitioner challenged the said rejection order by way of revision before the 3rd respondent-the Joint Commissioner (CT), Secunderabad Division, Hyderabad, which is said to be pending.

2. In the mean while, the 1st respondent issued garnishee

notice dated 11-12-2006 to the 4th respondent-The Manager, Central Bank, Abids, Hyderabad, calling upon the bank to pay an amount of Rs.6,48,450/- pursuant to the above mentioned assessment order. Hence, the present writ petition.

3. Heard the learned Government Pleader for Commercial Taxes.

4. In the circumstances, we are of the opinion that the writ petition can be disposed of directing the respondents not to enforce the garnishee order during the pendency of the above mentioned appeal on condition of the petitioner deposits an amount of RS.1,75,000/- (Rupees one lakh and seventy five thousand only) within a period of three weeks from today.

5. With the aforementioned direction, the Writ Petition is disposed of. No costs.

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J.CHELAMESWAR,J

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December 20, 2006 **D.APPA RAO,J**

Note:
Issue C.C. tomorrow
B/o.
KVR